

AMENDED IN SENATE JANUARY 5, 1998

SENATE BILL

No. 256

Introduced by Senator Lee

February 4, 1997

An act to add Part 11 (commencing with Section 53500) to Division 31 of the Health and Safety Code, relating to financing a housing program by providing the funds necessary therefor through the issuance and sale of bonds of the State of California and by providing for the handling and disposition of those funds.

LEGISLATIVE COUNSEL'S DIGEST

SB 256, as amended, Lee. Homeless and Housing Bond Act of ~~1997~~ 1998.

Under existing law there are programs providing assistance to housing for the construction and rehabilitation of low-income rental housing, farmworker housing, migrant farm labor centers, emergency housing and assistance to homeless persons, and predevelopment and land purchase loans for low-income housing in rural areas.

This bill would enact the Homeless and Housing Bond Act of ~~1997~~ 1998 which, if adopted, would authorize, for purposes of financing those existing housing programs, the issuance, pursuant to the State General Obligation Bond Law, of bonds in the amount of \$200,000,000.

The bill would provide for submission of the bond act to the voters at the next statewide election.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Part 11 (commencing with Section 53500) is added to Division 31 of the Health and Safety Code, to read:

PART 11. HOMELESS AND HOUSING BOND ACT
OF 1997 1998

CHAPTER 1. GENERAL PROVISIONS

53500. This ~~chapter~~ *part* shall be known and may be cited as the Homeless and Housing Bond Act of 1997 1998.

53501. As used in this ~~chapter~~ *part*, the following terms have the following meanings:

(a) "Committee" means the Homeless and Housing Finance Committee created pursuant to Section 53524.

(b) "Fund" means the Home Building and Rehabilitation Fund created pursuant to Section 53520.

CHAPTER 2. HOME BUILDING AND REHABILITATION FUND

53520. The proceeds of bonds issued and sold pursuant to this ~~chapter~~ *part* shall be deposited in the Home Building and Rehabilitation Fund, which is hereby created. Moneys in the fund shall be allocated and utilized in accordance with Chapter 4 (commencing with Section 53533) as added by Senate Bill 256 of the 1997–98 Regular Session.

CHAPTER 3. FISCAL PROVISIONS

53521. Bonds in the total amount of two hundred million dollars (\$200,000,000), or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this ~~chapter~~ *part* and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds shall, when sold, be and constitute a valid and binding

1 obligation of the State of California, and the full faith and
2 credit of the State of California is hereby pledged for the
3 punctual payment of both principal of, and interest on,
4 the bonds as the principal and interest become due and
5 payable.

6 53522. Any bonds issued and sold pursuant to this
7 ~~chapter~~ part may be refunded by the issuance of
8 refunding bonds in accordance with Article 6
9 (commencing with Section 16780) of Chapter 4 of Part 3
10 of Division 2 of Title 2 of the Government Code. Approval
11 by the electors of the state for the issuance of these bonds
12 shall include the approval of the issuance of any bonds
13 issued to refund any bonds originally issued or any
14 previously issued refunding bonds.

15 53523. The bonds authorized by this part shall be
16 prepared, executed, issued, sold, paid, and redeemed as
17 provided in the State General Obligation Bond Law
18 (Chapter 4 (commencing with Section 16720) of Part 3 of
19 Division 4 of Title 2 of the Government Code), and all of
20 the provisions of that law apply to the bonds and to this
21 ~~chapter~~ part and are hereby incorporated in this—~~chapter~~
22 part as though set forth in full in this part.

23 53524. (a) Solely for the purpose of authorizing the
24 issuance and sale, pursuant to the State General
25 Obligation Bond Law, of the bonds authorized by this
26 part, the Homeless and Housing Finance Committee is
27 hereby created. For purposes of this part, the Homeless
28 and Housing Finance Committee is “the committee” as
29 that term is used in the State Obligation Bond Law. The
30 committee consists of the Controller, the Treasurer, the
31 Director of Finance, the Director of the Department of
32 Housing and Community Development, and the
33 Executive Director of the California Housing Finance
34 Agency, or their designated representatives. A majority
35 of the committee may act for the committee.

36 (b) For purposes of the State General Obligation Bond
37 Law, the Department of Housing and Community
38 Development is designated the “board,” for programs
39 administered by the department and the California

1 Housing Finance Agency is the “board” for programs
2 administered by the agency.

3 53525. The committee shall determine whether or
4 not it is necessary or desirable to issue bonds authorized
5 pursuant to this part in order to carry out the actions
6 specified in Chapter 4 (commencing with Section 53533)
7 and, if so, the amount of bonds to be issued and sold.
8 Successive issues of bonds may be authorized and sold to
9 carry out those actions progressively, and it is not
10 necessary that all of the bonds authorized to be issued be
11 sold at any one time.

12 53526. There shall be collected each year and in the
13 same manner and at the same time as other state revenue
14 is collected, in addition to the ordinary revenues of the
15 state, a sum in an amount required to pay the principal
16 of, and interest on, the bonds each year, and it is the duty
17 of all officers charged by law with any duty in regard to
18 the collection of the revenue to do and perform each and
19 every act which is necessary to collect that additional
20 sum.

21 53527. Notwithstanding Section 13340 of the
22 Government Code, there is hereby appropriated from
23 the General Fund in the State Treasury, for the purposes
24 of this part, an amount that will equal the total of the
25 following:

26 (a) The sum annually necessary to pay the principal of,
27 and interest on, bonds issued and sold pursuant to this
28 part, as the principal and interest become due and
29 payable.

30 (b) The sum which is necessary to carry out the
31 provisions of Section 53528, appropriated without regard
32 to fiscal years.

33 53528. For the purposes of carrying out this part, the
34 Director of Finance may authorize the withdrawal from
35 the General Fund of an amount or amounts not to exceed
36 the amount of the unsold bonds which have been
37 authorized by the committee to be sold for the purpose
38 of carrying out this part. Any amounts withdrawn shall be
39 deposited in the fund. Any money made available under
40 this section shall be returned to the General Fund from

1 money received from the sale of bonds for the purpose of
2 carrying out this part.

3 53529. Notwithstanding any other provision of this
4 bond act, or of the State General Obligation Bond Law
5 (Chapter 4 (commencing with Section 16720) of Part 3 of
6 Division 4 of Title 2 of the Government Code), if the
7 Treasurer sells bonds pursuant to this bond act that
8 include a bond counsel opinion to the effect that the
9 interest on the bonds is excluded from gross income for
10 federal tax purposes under designated conditions, the
11 Treasurer may maintain separate accounts for the bond
12 proceeds invested and the investment earnings on those
13 proceeds, and may use or direct the use of those proceeds
14 or earnings to pay any rebate, penalty, or other payment
15 required under federal law, or take any other action with
16 respect to the investment and use of those bond proceeds,
17 as may be required or desirable under federal law in
18 order to maintain the tax-exempt status of those bonds
19 and to obtain any other advantage under federal law on
20 behalf of the funds of this state.

21 53530. The board may request the Pooled Money
22 Investment Board to make a loan from the Pooled Money
23 Investment Account, in accordance with Section 16312 of
24 the Government Code, for the purposes of carrying out
25 the provisions of this part. The amount of the request shall
26 not exceed the amount of unsold bonds which the
27 committee has by resolution authorized to be sold for the
28 purpose of carrying out this part. The board shall execute
29 such documents as are required by the Pooled Money
30 Investment Board to obtain and repay the loan. Any
31 amounts loaned shall be deposited in the fund to be
32 allocated by the board in accordance with this part.

33 53531. All money deposited in the fund which is
34 derived from premium and accrued interest on bonds
35 sold shall be reserved in the fund and shall be available for
36 transfer to the General Fund as a credit to expenditures
37 for bond interest.

38 53532. The Legislature hereby finds and declares that,
39 inasmuch as the proceeds from the sale of bonds
40 authorized by this part are not “proceeds of taxes” as that

1 term is used in Article XIII B of the California
2 Constitution, the disbursement of these proceeds is not
3 subject to the limitations imposed by that article.

4
5 CHAPTER 4. ALLOCATION OF HOUSING BOND REVENUES
6

7 53533. (a) Moneys deposited in the Home Building
8 and Rehabilitation Fund from the sale of bonds pursuant
9 to this part, shall be allocated for expenditure in
10 accordance with the following schedule:

11 (1) One hundred million dollars (\$100,000,000) shall
12 be transferred to the Rental Housing Construction Fund
13 to be expended for the programs authorized by Chapter
14 9 (commencing with Section 50735) of Part 1, except
15 Sections 50738.5 and 50745.1.

16 (2) Fifty million dollars (\$50,000,000) shall be
17 transferred to the Housing Rehabilitation Loan Fund to
18 be expended for the purpose of making deferred
19 payment loans to acquire and rehabilitate rental housing
20 developments to be occupied by eligible households of
21 very low and low income pursuant to Section 50670.

22 (3) Twenty million dollars (\$20,000,000) shall be
23 transferred to the department for the Farmworker
24 Housing Grant Program authorized by Chapter 3.2
25 (commencing with Section 50517.5) of Part 2.

26 (4) Fifteen million dollars (\$15,000,000) shall be
27 transferred to the department for expenditure for the
28 development of migrant farm labor centers authorized
29 by Chapter 8.5 (commencing with Section 50710) of Part
30 2.

31 (5) Ten million dollars (\$10,000,000) shall be
32 transferred to the Emergency Housing and Assistance
33 Fund to be expended for the programs authorized by
34 Chapter 11.5 (commencing with Section 50800) of Part 2.

35 (6) Five million dollars (\$5,000,000) shall be
36 transferred to the Rural Predevelopment Loan Fund to
37 be expended for predevelopment activities authorized
38 by Chapter 3.1 (commencing with Section 50515) of Part
39 2.

1 (b) No portion of the moneys allocated pursuant to
2 this section may be expended for project operating costs,
3 except that this section does not preclude expenditures
4 for operating costs from reserves required to be
5 maintained by or on behalf of the project sponsor.

6 SEC. 2. Section 1 of this act shall take effect upon the
7 adoption by the voters of the Homeless and Housing Bond
8 Act of ~~1997~~ 1998, as set forth in Section 1 of this act.

9 SEC. 3. Section 1 of this act shall be submitted to the
10 voters at the next statewide election in accordance with
11 provisions of the Government Code and the Elections
12 Code governing the submission of statewide measures to
13 the voters.

14 SEC. 4. Notwithstanding any other provision of law,
15 all ballots of the election shall have printed thereon and
16 in a square thereof, the words: "Homeless and Housing
17 Bond Act of ~~1997~~ 1998," and in the same square under
18 those words, the following in 8-point type: "This act
19 provides for a bond issue of two hundred million dollars
20 (\$200,000,000) to provide funds for a housing program."
21 Opposite the square, there shall be left spaces in which
22 the voters may place a cross in the manner required by
23 law to indicate whether they vote for or against the act.

24 Where the voting in the election is done by means of
25 voting machines used pursuant to law in the manner that
26 carries out the intent of this section, the use of the voting
27 machines and the expression of the voters' choice by
28 means thereof are in compliance with this section.